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# Message Text

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PAGE 01 CARACA 14240 071644Z
63
ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 L-03 H-01 PA-01 PRS-01 /080 W
---------- 029429
R 071602Z DEC 76
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 5903

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E.O. 11652: N/A
TAGS: EINV, VE
SUBJECT: PROPOSAL FOR RESUMPTION OF OPIC PROGRAMS IN VENEZUELA - STATUS REPORT

REF: STATE 277303; CARACAS 13548

1. SUMMARY. RESPONSES OBTAINED SO FAR TO EMBASSY CONSULTATIONS REGARDING MOBIL APPLICATION HAVE NOT BEEN CONSISTENT, AND WE ARE NOT SATISFIED THAT GOV HAS CONCENTRATED ON THE QUESTION OF WHAT HAPPENS IF THE INSURANCE HAS TO BE PAID, I.E., GOV ACCEPTANCE OF OPIC ACQUISITION OF FUNDS OR RIGHTS. BECAUSE WE BELIEVE THAT THIS POINT IS CRUCIAL TO OPIC'S RESUMING ISSUANCE OF INCONVERTIBILITY INSURANCE, WE ARE ATTEMPTING TO ELICIT A SPECIFIC GOV DECISION ON THAT CONTINGENCY. END SUMMARY.

2. PURSUANT TO REQUEST CONTAINED STATE 277303, EMBASSY OFFICER RAISED MOBIL APPLICATION QUESTION WITH SIEX SUPERINTENDENT SOTO ALVAREZ. HE SAID THAT WHILE FOREIGN INVESTMENT PROJECTS NORMALLY FALL WITHIN THE PURVIEW OF SIEX, THE MINISTRY OF MINES HAS JURIS-DICTION OVER INVESTMENTS IN THE PETROLEUM INDUSTRY. SOTO ALVAREZ PROFESSED NOT TO UNDERSTAND WHY SIEX HAD TO REVIEW OR APPROVE OPIC INSURANCE APPLICATIONS. ALTHOUGH EMBASSY OFFICER SHOWED HIM 1962 AGREEMENT,
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SOTO DID NOT COMMIT HIMSELF ON PROBLEM OF GOV ACQUI-

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ESCENCE TO POLITICAL RISK INSURANCE. HE SAID THAT CONSULTATION ON OPIC APPLICATIONS MIGHT BE A GOOD IDEA BUT HE WAS NOT PREPARED TO "APPROVE" OR "DISAPPROVE" APPLICATIONS.

3. MARTIN MORALES OF OFFICE OF CONTROL OF FOREIGN FIRMS AND INVESTMENT IN MINISTRY OF MINES STATED THAT HE HAD NO OBJECTION TO MOBIL APPLICATION AND WOULD BE PREPARED TO STATE THIS IN WRITING. MORALES, HOWEVER, IS NOT IN A POSITION TO OPINE AS TO GOV "RECOGNITION" OF ACQUISITION OF FUNDS BY OPIC. SINCE CONSULTATION WITH THE GOV-SHOULD SUCH A CONTINGENCY OCCUR-WOULD HAVE TO BE CARRIED OUT WITH THE MINISTRY OF FINANCE, WE CONSIDER IT ESSENTIAL TO OBTAIN MINISTRY OF FINANCE APPROVAL OF THE ARRANGEMENT AND THE PRINCIPLE. WE ARE ACCORDINGLY SEEKING MOF APPROVAL IN WRITING FOR THE ISSUANCE OF INCONVERTIBILITY INSURANCE.
VAKY

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# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 JAN 1994
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**Concepts:** INSURANCE, PETROLEUM INDUSTRY, FOREIGN INVESTMENTS
**Control Number:** n/a
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**Draft Date:** 07 DEC 1976
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**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Authority:** ShawDG
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
**Disposition Date:** 28 MAY 2004
**Disposition Event:**
**Disposition History:** n/a
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**Review Comment:** n/a
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**Secure:** OPEN
**Status:** NATIVE
**Subject:** PROPOSAL FOR RESUMPTION OF OPIC PROGRAMS IN VENEZUELA - STATUS REPORT
**TAGS:** EINV, VE, OPIC, MOBIL OIL CO
**To:** STATE
**Type:** TE
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